

INSURE MONTANA  
Regular Governing Board Meeting  
June 13, 2006

AMENDED AUG. 10/06

THOSE PRESENT: Chair Cliff Larsen, Allegiance Benefit Plan Management  
Kate Wilson, Lewis & Clark Co. Cooperative Health Center  
Gail Briese-Zimmer, Department of Public Health and Human Services  
Christian Mackay, Prudential Floberg Realtors  
Jim Edwards, Mountain West Benefit Solutions  
Bob Marsenich, Mountain West Benefit Solutions

STAFF: Emily Lipp Sirota, Office of the Governor  
Erin McGowan, State Auditor's Office  
Todd Lovshin, Insure Montana  
Lisa Crowley, Insure Montana  
Wendy Theodore, Insure Montana  
Jarel LaPan, State Auditor's Office

OTHERS: Tanya Ask, Blue Cross Blue Shield  
Anna Whiting-Sorrell, Office of the Governor  
Webb Brown, MT Chamber of Commerce  
Mike Burke, Office of the Governor  
Kris Wilkinson, Legal Fiscal Division  
Peter Butler, New West Health Services

THOSE ABSENT: Connie Welsh  
Christina Goe, State Auditor's Office

Chair Cliff Larsen called the meeting to order at 1:05 pm.

• MINUTES:

Chair Cliff Larsen welcomed the public. Each member of the public introduced themselves for the record.

Chair Cliff Larsen asked for a motion to approve the minutes of the Regular Board meeting dated March 21, 2006 as presented.

Emily Lipp Sirota requested the minutes to be more detailed, with motions outlined. Chair Cliff Larsen and Jim Edwards mentioned that the minutes should be recorded.

Motion 61306-1: Gail Briese-Zimmer moved to approve the minutes.

Second: Jim Edwards.

Vote: Motion passed unanimously.

- ENROLLMENT UPDATE

Lisa Crowley reviewed the purchasing pool enrollment update as presented and explained the process of applying and enrollment. She explained that the reasons for declining were it was either too expensive, insufficient number of employees were enrolling, etc. Todd Lovshin stated most people decline after quote received. Lisa said she would follow up on a survey to employers to provide statistics on reasons for declining coverage. Kate Wilson joined the meeting at 1:10 pm. Todd Lovshin reported the average rate tier was approximately 5.82. He also stated he would set up a meeting with Department of Public Health to determine how the staff would report what participants were eligible for Medicaid and CHIP.

Wendy Theodore reviewed the tax credit enrollment update as presented.

Todd Lovshin stated that updates would be provided to Board members and interested parties on the 15<sup>th</sup> of each month.

- FISCAL YEAR 06/07 – BUDGET UPDATE

Todd Lovshin reported that Insure Montana has been classified a legal entity component unit of the State. The unit will be reported separately on the CAFR and will need to produce separate financial statements. The statements will be provided for future board meetings.

Todd Lovshin reviewed the FY06 projected final expenses as presented. He explained that we were not able to enroll as many employers in the tax credit section as first anticipated; that the 2-5 employee businesses had been exhausted. He stated that the projected budget remaining is \$449,492.89. It was clarified that any remaining unexpended benefit budget would revert back to the special revenue account. Discussion followed regarding possible options for expending these funds. It was pointed out that other similar new programs were not expending their full budget allocation as well. Todd Lovshin explained that according to HB667, administration costs could not be expended from the benefit budget. He stated he would look into the legal opinion in legislation of not expending over 5% of the budget, plus an overriding rule to be able to move unexpended funds forward into the next biennium. He explained that in fiscal year 2007, we could look into flexible spending accounts, wellness clinics, and section 125 plans. Pooling Insurance was suggested by Jim Edwards.

Motion 61306-2: Bob Marsenish motioned for Todd Lovshin to look into working with Blue Cross Blue Shield regarding pool stop loss; to be completed in ten days.

Second: Kate Wilson.

Vote: Motion passed unanimously.

Todd Lovshin advised the Board that the transfer from the purchasing pool budget to the tax credit budget of FY06 projected tax credit expenses would take place before August 1, 2006 with Commissioner Morrison's approval.

2:00 – Chair Cliff Larsen announced a 15-minute recess.

2:15 – Meeting re-adjourned.

- ADMISTRATIVE RULE CHANGE

Todd Lovshin advised the Board that the staff had exhausted the application list to date of 2-5 employee businesses. It was clear to him that with the budget under expenditure and time allotted for the smaller businesses to apply first, it was appropriate at this time to move eligibility requirement to 2-9 employee businesses. He stated that after research and discussion with Insure Montana staff, it was determined that it would make more sense to go to 9 instead of moving in increments to 7, then to 9.

Todd Lovshin advised that sole proprietors are precluded by legislation for the first two years. The Board members stated that this issue could be discussed and decided upon after July 1, 2008 when the Board could examine policy and rating issues.

Todd Lovshin reported that there were several association plan quotes, but none have enrolled.

Todd Lovshin stated that Christina Goe would be conducting the public hearing for the rule change on July 13, 2006.

Todd Lovshin advised that Insure Montana staff would develop a marketing strategy through producers and editorials to inform the public of the rule change. He also stated that we would focus on the uninsured and move on all areas. Wendy Theodore stated that employers who had previously applied and were deemed ineligible because they had more than five eligible employees would be notified. Todd Lovshin stated that we would start accepting applications on August 1, 2006 from 2-9 employee businesses, and we would be targeting our marketing strategy for this date. Emily Lipp Sirota questioned what the dates were for the process. Todd Lovshin advised that the eligible businesses could have a September 1, 2006 effective date. He also stated that he projects spending of over 90% in the next fiscal year. He advised that budget spreadsheets would be available for each meeting.

- PLAN OF OPERATION SUBCOMMITTEE CALENDARING

A date was set for a future meeting for Tuesday, July 11, 2006 at 1:30 pm at the State Auditor's Office. Christina Goe will email ideas to subcommittee members before the meeting.

Public Comment Period: Chair Cliff Larsen asked the public if there were any comments they wished to make. There were no comments.

- UNFINISHED BUSINESS

Jim Edwards questioned whether additional plans had been researched. Todd Lovshin explained that there was not enough experience with current plans and data at this time. Board members discussed a high deductible plan. Tanya Ask advised that small businesses are split; younger employees put money into health spending accounts so they can take that with them when they move to another employer. Emily Lipp Sirota stated she was worried about the under insured. Chair Cliff Larsen suggested a subcommittee be created to look at higher deductible plan options. Jim Edwards warned to prepare for an insurance rate increase of approximately 10% or more. He also stated that a high deductible plan would be a place to move enrolled businesses to when they can't afford the increase. It was stated that the survey was needed to learn this information. Todd Lovshin suggested the survey be sent to agents as well. He stated he would have some claims data at the next meeting.

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Chair Cliff Larsen will provide an agenda format for future meeting minutes.

Todd Lovshin suggested that an enrolled business be invited to a future meeting.

Press highlights were made available at the end of the meeting.

The next meeting was scheduled for August 10, 2006.

Meeting adjourned at 3:10 pm.